

# Economic and Demographic Overview

**Presentation for Building Healthy Labour  
Markets in Newfoundland and Labrador**

**October 30, 2006**



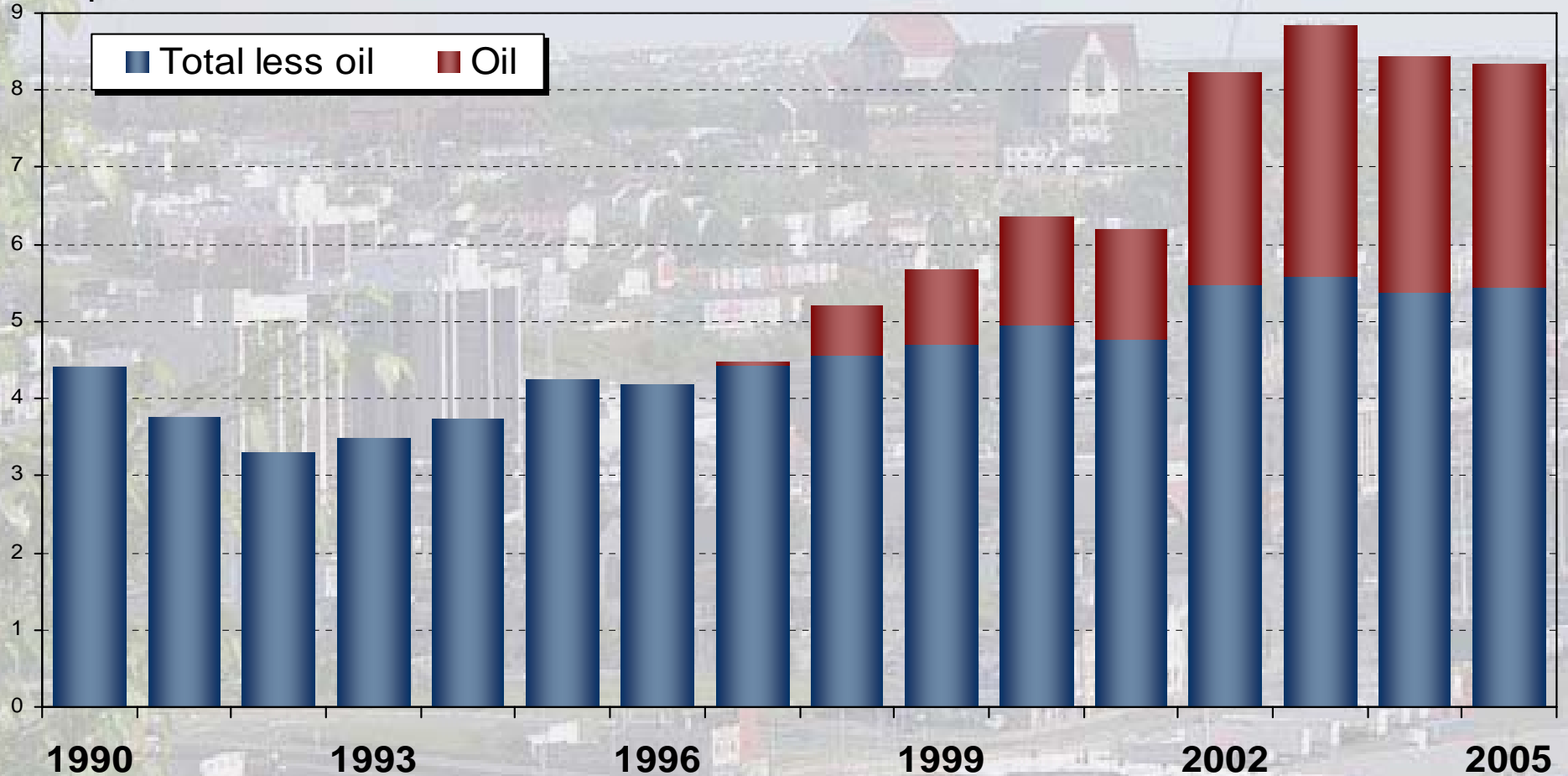
# The province has experienced a period of strong economic growth

## Key Indicators

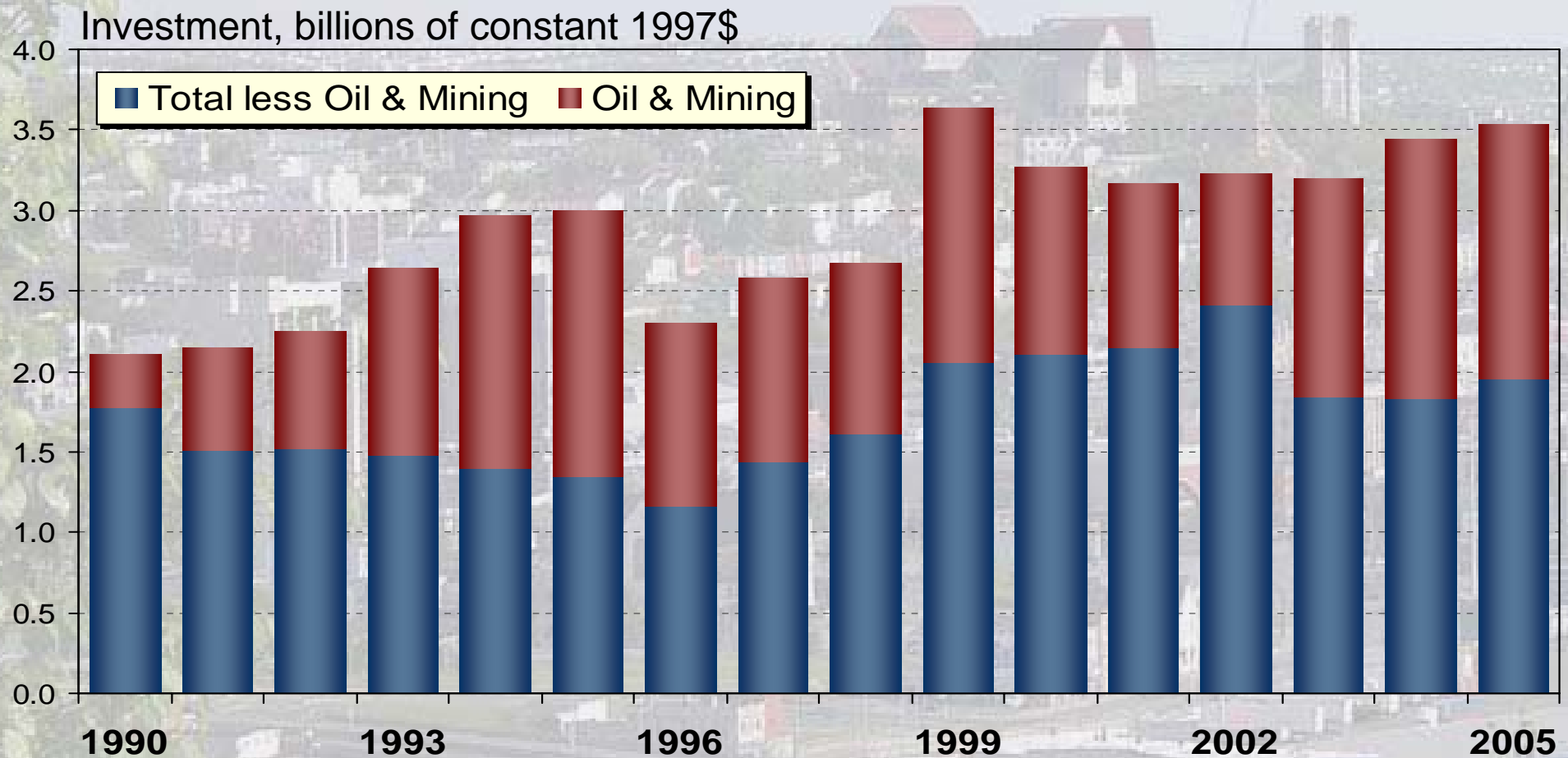
	Growth 1997-2005	Annual Average Growth	Comments
Real GDP	47.0%	4.4%	Investment, exports and consumption main drivers
Employment	14.2%	1.5%	Growth in goods and services sector
Real Personal Disposable Income	9.5%	1.0%	Wages and salaries driving force
Real Consumer Spending	27.7%	2.8%	Highest per capita growth in the Country
Real Housing Investment	100%	8.0%	Housing starts in 2004 highest since 1991

# Export growth has been significant, driven primarily by crude oil

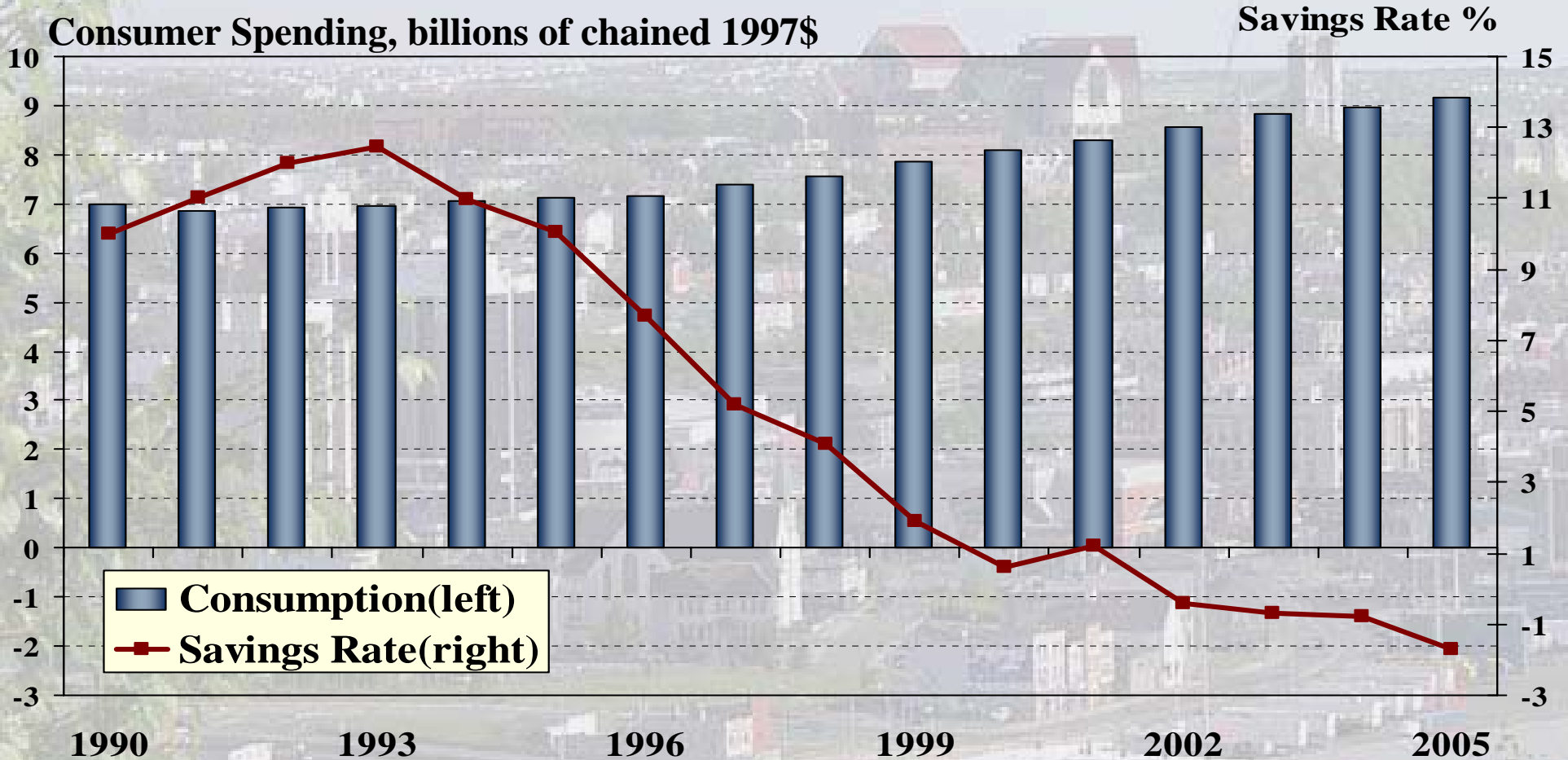
Exports, billions of constant 1997\$



# Substantial non-residential capital investment expanding economy's productive capacity



# Consumers are fuelling the economy as well



# 2006/2007 Outlook

- **Strong GDP growth but moderate gains in employment and incomes**
- **Growth will stem primarily from exports as White Rose and Voisey's Bay ramp up to full production**
- **Modest growth in personal income, employment and consumer spending**
- **Investment though slowing is still at high levels**

# Private sector services drive future employment gains

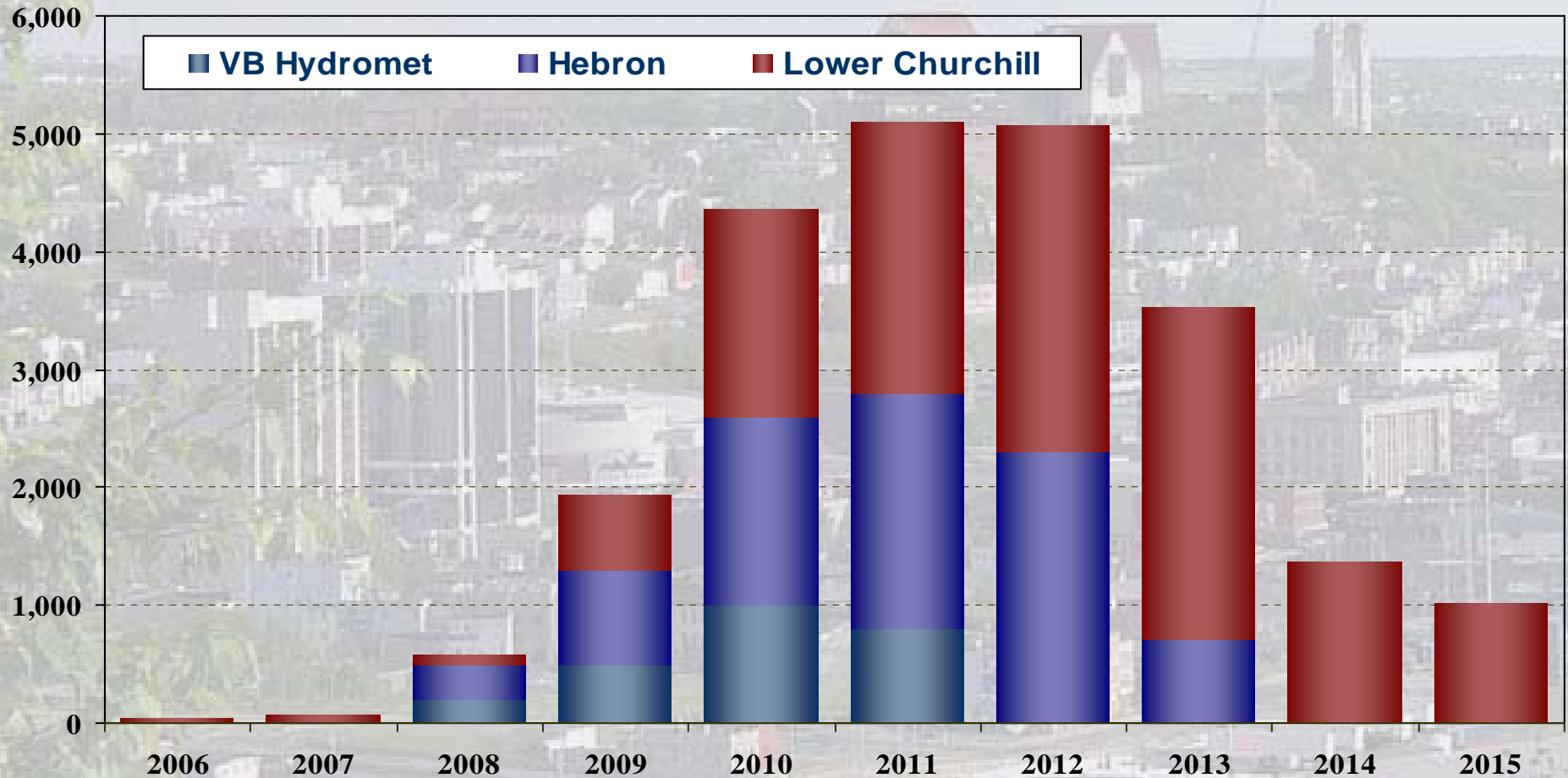
- Service sector industries continue to benefit from oil and mining business
  - Transportation and warehousing
  - Professional and scientific (engineering and geophysical surveying)
- Customer contact business growing
- Trade and tourism continue to expand
- Increase demand for health care services

# Modest economic growth expected

<b>Indicator (% Change)</b>	<b>2006f</b>	<b>2007f</b>	<b>2008f</b>	<b>2009f</b>
<b>Employment</b>	<b>0.6</b>	<b>0.9</b>	<b>0.8</b>	<b>1.1</b>
<b>Real Personal Income</b>	<b>2.1</b>	<b>0.3</b>	<b>0.1</b>	<b>1.1</b>
<b>Unemployment Rate (%)</b>	<b>15.0</b>	<b>14.6</b>	<b>14.2</b>	<b>13.8</b>
<b>Real GDP</b>	<b>6.2</b>	<b>3.8</b>	<b>-1.5</b>	<b>-1.5</b>
<b>Retail Sales</b>	<b>2.3</b>	<b>1.3</b>	<b>1.5</b>	<b>3.2</b>
<b>Population</b>	<b>-0.8</b>	<b>-0.4</b>	<b>-0.3</b>	<b>-0.2</b>

# Potential employment from upcoming major projects

## Direct Construction Employment



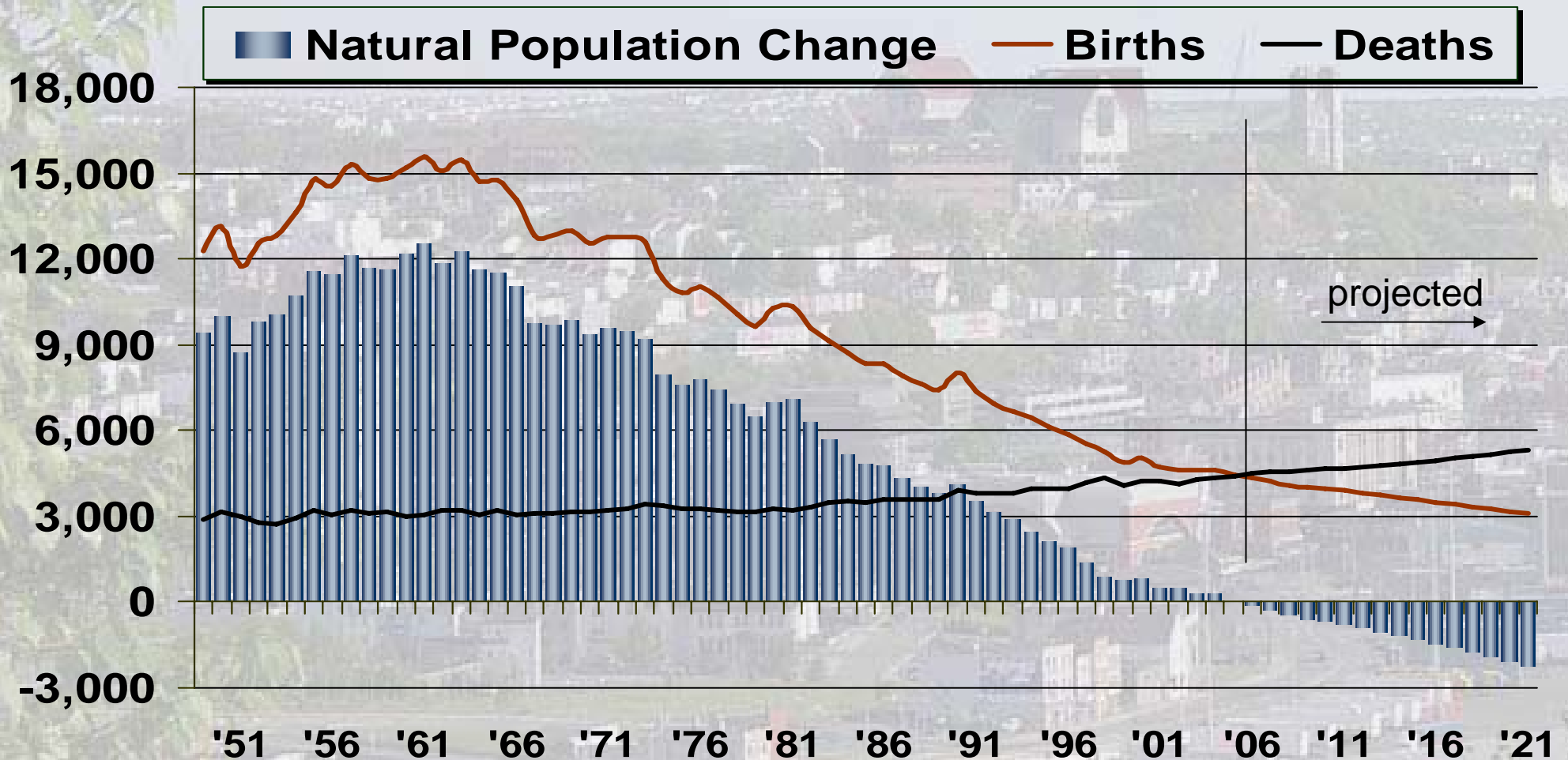
An aerial photograph of a city, likely St. John's, Newfoundland, with a large red hot air balloon floating in the sky. The city is densely packed with buildings, and there are green trees in the foreground on the left. The image is overlaid with a semi-transparent blue gradient.

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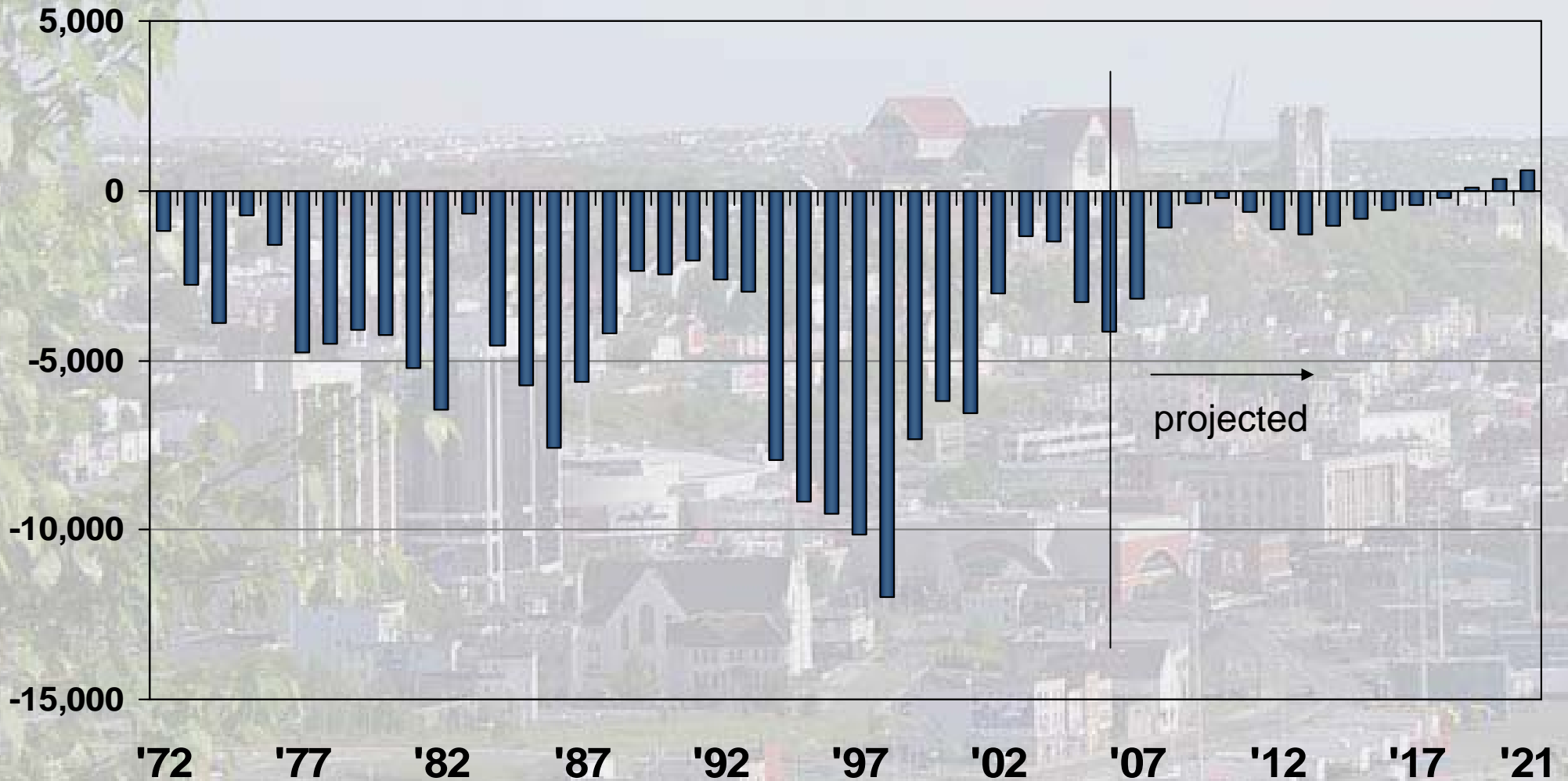
# Demographic Trends

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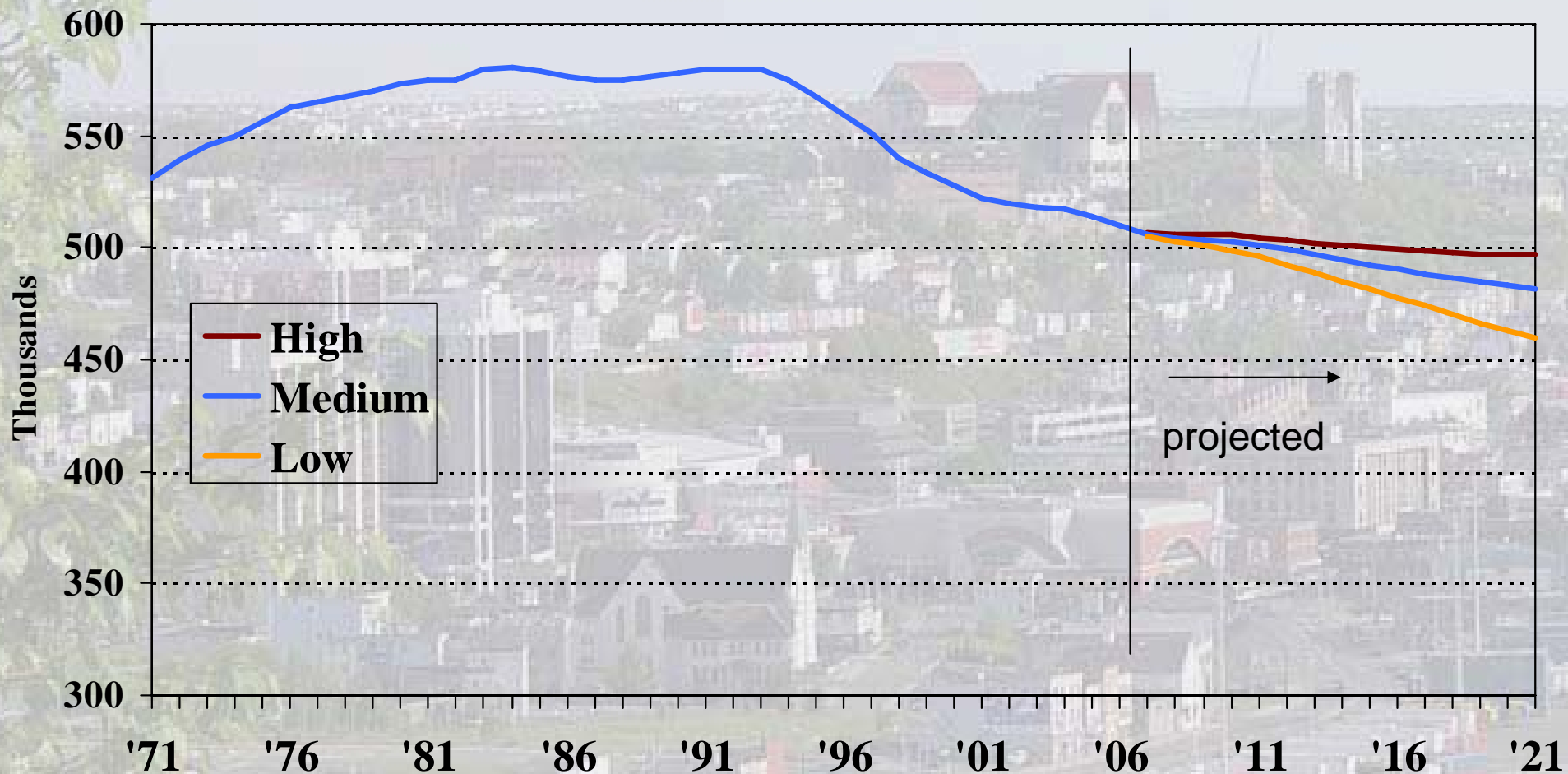
# Natural Population Change Newfoundland and Labrador



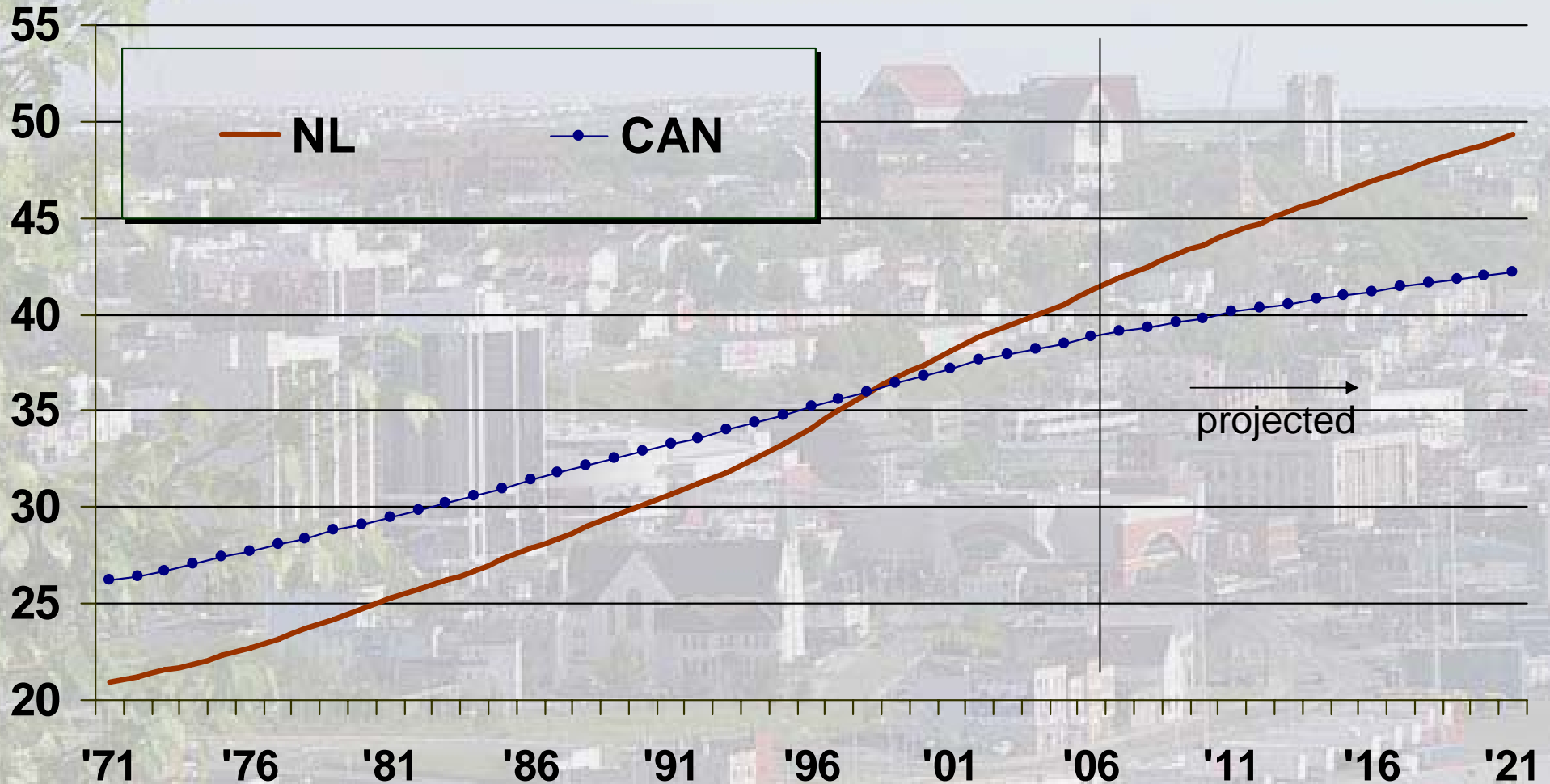
# Net-migration Newfoundland and Labrador



# Population Newfoundland and Labrador



# Median Age of Population

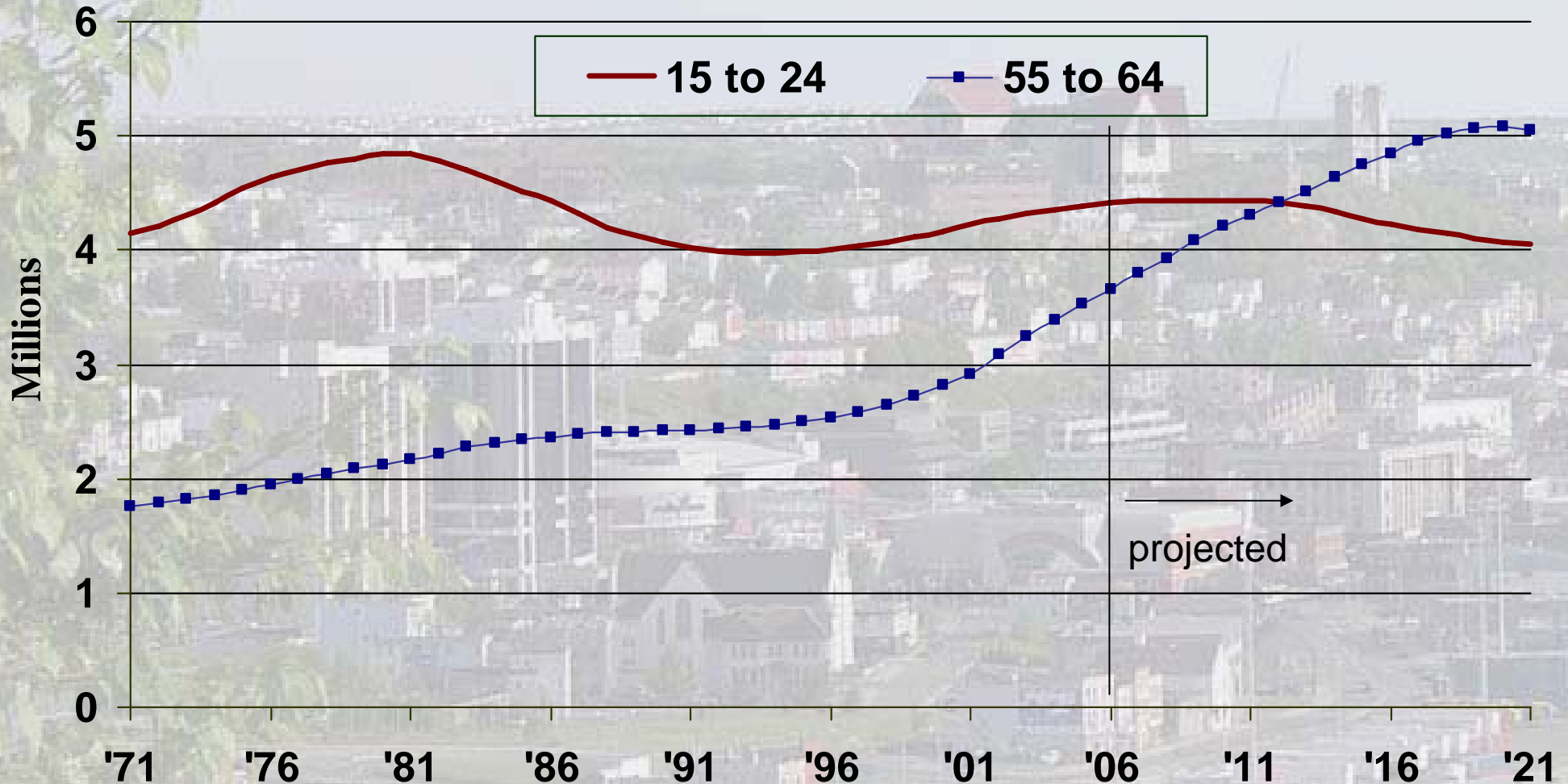


# Potential Labour Force Entrants vs. Potential Retirees, NL



Source: Statistics Canada

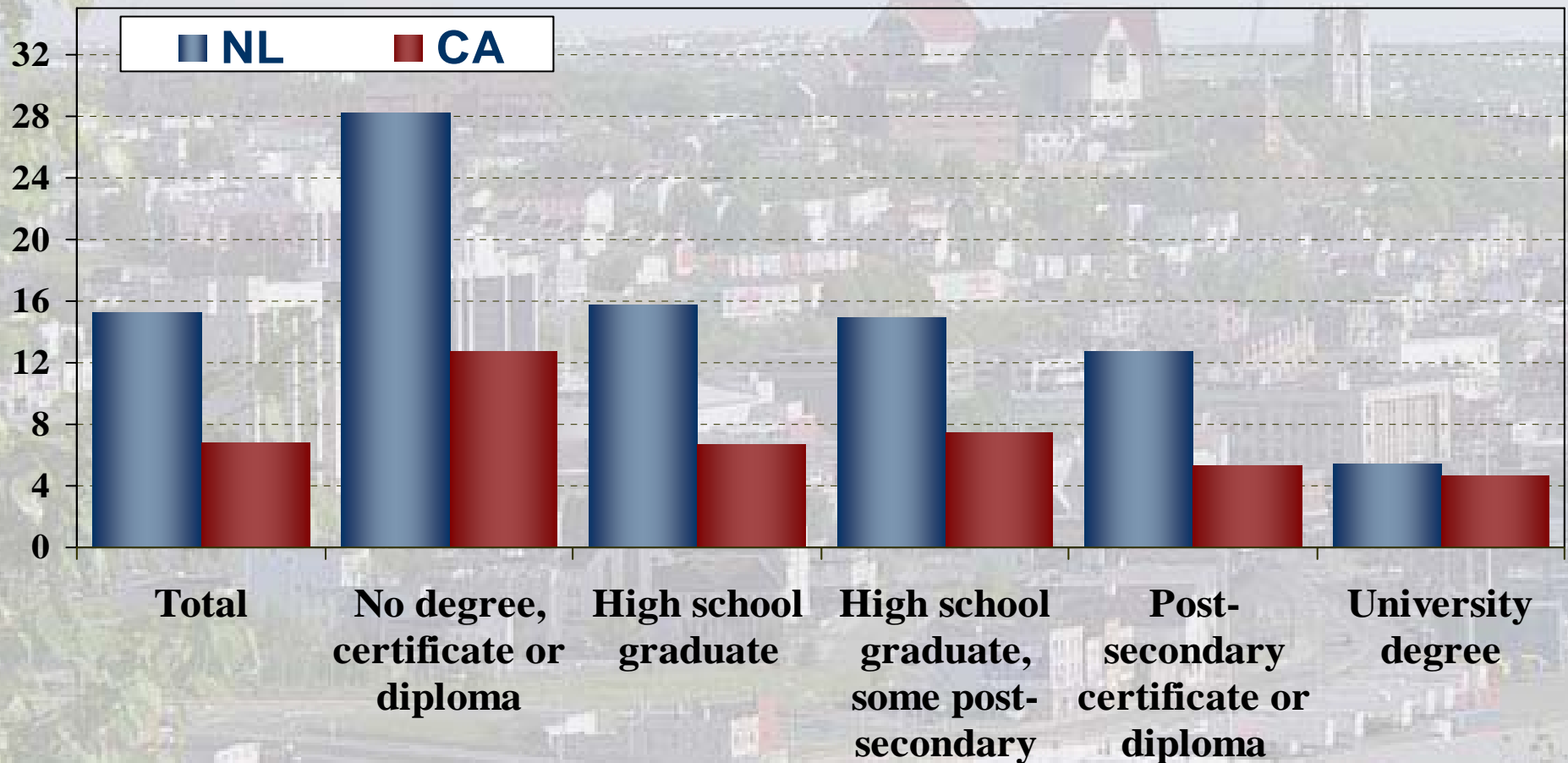
# Potential Labour Force Entrants vs. Potential Retirees, Canada



Source: Statistics Canada

# Unemployment rates lower for better educated

Unemployment Rate %



# Summary

- Recent growth driven by investment, exports & consumer spending
- Wage & employment gains boosting disposable incomes
- Continued economic growth, but gains moderating
- More mega projects would boost medium term outlook
- Moderate population losses, and aging continues
- Fewer young people
- 50 plus age groups increasing rapidly
- Significant increase in retirements